UNITED NATIONS

A

General Assembly

Distr.
GENERAL

A/47/735
30 November 1992

ORIGINAL: ENGLISH

Forty-seventh session
Agenda item 120 (a)

# FINANCING OF THE ACTIVITIES ARISING FROM SECURITY COUNCIL RESOLUTION 687 (1991): UNITED NATIONS IRAQ-KUWAIT OBSERVATION MISSION

## Report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General on the financing of the United Nations Iraq-Kuwait Observation Mission (UNIKOM) (A/47/637). During its consideration of the report the Committee was provided with additional information on the subject by representatives of the Secretary-General.

2. UNIKOM was established by the Security Council in resolution 687 (1991) of 3 April 1991. By its resolution 689 (1991) of 9 April 1991, the Council decided to review the question of the termination or continuation of UNIKOM every six months. By its resolution 45/260 of 3 May 1991, the General Assembly appropriated an amount of $60,977,000 gross ($60 million net) for the operation of UNIKOM from 9 April to 8 October 1991; assessments totalling $60,296,777 were apportioned among Member States. The performance report for that period was submitted to the Assembly in document A/46/746.

3. Subsequently, the General Assembly, by its resolution 46/197 of 20 December 1991, appropriated an amount of $33,600,000 gross ($32,649,000 net) for the operation of UNIKOM for the period from 9 October 1991 to 8 April 1992, and also authorized the Secretary-General to enter into commitments, should the Security Council decide to continue the operation for an additional period of six months, at a rate not to exceed $5.6 million gross ($5,441,500 net) per month, subject to the prior concurrence of the Advisory Committee.

4. Following the Security Council's concurrence 1/ in the Secretary-General's recommendation that UNIKOM be maintained for a further six-month period, the Advisory Committee, in its letter of 14 July 1992,

authorized the entering into commitments for UNIKOM in an amount not exceeding $28.5 million gross for the period from 9 April 1992 to 8 October 1992. At that time the Advisory Committee was provided with information on the financial performance of the operation for the period from 9 October 1991 to 8 April 1992, the status of assessed contributions for the period from 9 April 1991 to 8 April 1992, and the status of the unencumbered balance of UNIKOM.

5. The Advisory Committee notes from paragraph 7 of the report of the Secretary-General under consideration (A/47/637) that as at 31 October 1992 assessments totalling $121,166,424 had been apportioned among Member States in respect of UNIKOM from its inception on 9 April 1991 to 8 October 1992. Contributions received for the same period amounted to $95,784,205, representing a shortfall of $25,382,219.

6. Paragraph 16 of the report of the Secretary-General reflects the total resources made available to UNIKOM as well as the operating costs for the period from 9 April 1991 to 31 October 1992. The total amount of resources made available is shown as $123,077,000 gross ($120,347,200 net), which includes appropriations of $94,577,000 gross ($92,649,000 net) and authorization of $28,500,000 gross ($27,698,200 net). Estimated expenditures for the same period against appropriations are shown as $112,828,735 gross ($110,838,324 net), resulting in an unencumbered balance of $10,248,265 gross ($9,508,876 net). In addition, interest and miscellaneous income are shown as $675,259 and $61,359, respectively. The Committee notes from paragraphs 8 and 9 of the Secretary-General's report that for the period ending 31 October 1992, a voluntary contribution in the form of service of two fixed-wing aircraft with crew was provided by the Government of Switzerland and that this contribution has been valued at approximately $1,587,300.

7. The Advisory Committee notes from paragraph 21 of the Secretary-General's report that during the period from 9 October 1991 to 31 October 1992, troop-contributing countries (Canada, Chile, Denmark and Norway) received full reimbursement in accordance with the standard rates of reimbursement for the period ending 30 September 1992. From paragraph 24 of the report the Committee also notes that during the 12-month and 23-day period ending 31 October 1992, loans had to be made to UNIKOM from other peace-keeping special accounts in order to meet its operational costs and that on the basis of these loans, UNIKOM was able to meet its cash flow requirements, including the payments made to troop-contributing States as mentioned in paragraph 21 of the report.

8. During the period from 9 October 1991 to 8 October 1992, expenditures attributable to the Boundary Demarcation Commission for technical and other support provided by UNIKOM amounted to $972,011 (A/47/637, para. 22). In this connection the Committee reiterates its recommendation that charges for services such as the provision of personnel, aircraft and other equipment by UNIKOM to the Boundary Demarcation Commission and other entities in the area, be properly reimbursed.

9. The Advisory Committee notes that while there is an unencumbered balance of $10,248,265 gross ($9,508,876 net) for the period from 9 April 1991 to 31 October 1992, the Committee was informed that outstanding assessed contributions of $23,341,817 remained uncollected. In view of this situation, the Advisory Committee concurs in the Secretary-General's proposal (ibid., para. 23) for retention of the unencumbered balance of appropriations in the Special Account for UNIKOM.

10. In its resolution 45/245 of 21 December 1990, the General Assembly approved special arrangements for the United Nations Iran-Iraq Military Observer Group (UNIIMOG) by which appropriations required in respect of obligations owed to Governments which provided contingents and/or logistic support to the operation would be retained beyond the period stipulated under regulations 4.3 and 4.4 of article IV of the Financial Regulations of the United Nations. The Secretary-General is now proposing that the standing decision, as contained in resolution 45/245, be extended and applied to UNIKOM. The Advisory Committee recommends deferral of this proposal at the present time. The Advisory Committee intends to take up this question in the spring of 1993, without prejudice to existing arrangements.

11. Following a report of the Secretary-General dated 2 October 1992, 2/ the Security Council concurred with the Secretary-General's recommendation, contained in paragraph 27 of that report, that UNIKOM be maintained for a further six-month period from 9 October 1992 to 8 April 1993. 3/

12. The Secretary-General is now proposing that, in the interest of administrative efficiency, the General Assembly should decide to establish the financial period of UNIKOM for a period of 12 calendar months with effect from 1 November 1992 to 31 October 1993, subject to the continuation of UNIKOM by the Security Council (A/47/637, para. 11).

13. The Secretary-General is also proposing that the General Assembly decide that the authorization provided by its resolution 46/197 with regard to the financing of UNIKOM for the period from 9 April to 8 October 1992 be extended to include the period up to and including 31 October 1992 (ibid., para. 12). The Advisory Committee notes that it has been possible for the Secretary-General to maintain UNIKOM for an additional period of 23 days (9 October to 31 October 1992) within the authorized resources.

14. While the Advisory Committee has no objection per se to the Secretary-General's proposals contained in paragraphs 11 and 12 of his report, with regard to the establishment of the financial period of UNIKOM for 12 calendar months, the Committee would like to emphasize that any extension of the financial period beyond 8 April 1993 would be subject to the Security Council's decision on the mandate of UNIKOM, it being also understood that any appropriation and/or commitment authorization would be subject to the prior concurrence of the Advisory Committee.

15. The Secretary-General estimates the cost of UNIKOM for the period from 1 November 1992 to 31 October 1993 at $49,693,200 gross ($48,078,000 net). A summary of the cost estimates for UNIKOM for that 12-month period is presented

in annex VI of the report (A/47/637) and supplementary information thereon is presented in annex VII. The Secretary-General is requesting an appropriation for one half of that amount, i.e. $24,846,600 gross ($24,039,000 net), and the apportionment thereof for the maintenance of UNIKOM for the six-month period from 1 November 1992 to 30 April 1993.

16. The Advisory Committee is of the view that savings may be realized under a variety of objects in line with the experience gained during the previous mandate periods.

17. With regard to mission subsistence allowance for all military personnel and international staff, cost estimates are based on United Nations-provided accommodation at the rate of $150 per day except for Baghdad, where the rate is $250 because the United Nations does not provide accommodation. The Advisory Committee was informed that although the present mission subsistence allowance rates might appear to be on the high side, this fact could only be confirmed pending completion of a review currently being carried out.

18. The Advisory Committee notes that the cost estimates provide for a total of 363 military personnel throughout the period and a total of 196 civilian staff of various categories including an additional 10 locally recruited staff, making an overall total of 559 personnel.

19. The Advisory Committee believes that the overall question of staffing with regard to both military and civilian personnel should be kept under review with the objective of effecting appropriate reductions during the forthcoming 12-month period. Staff deployment and functions should be clearly defined and future reports should reflect developments in this regard. For example, the Advisory Committee believes that sufficient justification has not been provided in the report with regard to the 10 additional local posts being requested.

20. The requirements for purchase of 69 additional vehicles during the next 12-month period are estimated at $1,854,700. Total related expenditure for spare parts, repairs, maintenance, insurance and workshop equipment is estimated at $865,200. Petrol, oil and lubricants are estimated at $444,000, thus bringing the total estimated cost for transport operations to $3,163,900. The Advisory Committee recalls that it had invited the Secretary-General to ascertain whether some petrol, oil and lubricants could be made available by the host Governments free of cost or at less than the rate used in the estimates.

21. The Committee notes from annex V of the report (A/47/637) that the number of vehicles currently available to UNIKOM is 256. For reasons mentioned in paragraph 58 of annex VII of the report, the Secretary-General has determined that 64 of these vehicles would require replacement during the 12-month period while nine additional heavy-duty vehicles have been deemed unsuitable due to the unavailability of spare parts. The Advisory Committee believes that the ratio of vehicles to the total number of personnel is high.

22. Cost estimates for air operations total $3,719,900 and $1,117,700 for helicopters and fixed-wing aircraft, respectively. The Committee notes from paragraph 42 of annex VII of the report that six light utility helicopters, including one standby, will be required for the period from 1 November to 31 December 1992 and that the number of helicopters will be reduced to four, including one standby, for the period from 1 January to 31 October 1993.

23. With regard to fixed-wing aircraft, in addition to two aircraft provided to UNIKOM as a voluntary contribution (see para. 6), provision has been made for the hire of an additional aircraft to operate an average of 80 hours per month at the monthly rate of $67,400. It is not clear to the Advisory Committee how the provision of the two aircraft that have been contributed for use by UNIKOM affects the overall requirements of the operation. It would appear that the two aircraft are being underutilized, and the Committee therefore recommends that the cost-effectiveness of the total number of aircraft be kept under examination, with a view to achieving further economies. Similarly, the Committee believes that economies can be achieved in the requirements for premises ($1,982,600), communications ($1,118,000), miscellaneous equipment ($1,236,100), and supplies and services ($1,412,800). In this regard, the Committee once again cautions against the acquisition of equipment that is more sophisticated and expensive than is necessary to fulfil the requirements of the mission.

24. In the light of the Committee's observations in the paragraphs above, especially with regard to the retention of the unencumbered balance of appropriations (see para. 9) the Advisory Committee recommends that the total appropriation and the apportionment thereof for the maintenance of UNIKOM for the period from 1 November 1992 to 30 April 1993 should not exceed $20,000,000 gross ($19,192,400 net). Subject to such decision as the Security Council may take with regard to the mandate of UNIKOM, the Advisory Committee recommends that for the period beyond 30 April 1993 the Secretary-General be authorized to enter into commitments at a rate not to exceed $3.3 million gross ($3.1 million net) subject to the prior concurrence of the Advisory Committee.

Notes

1/ S/23789.

2/ S/24615.

3/ S/24649.

---